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SUBJECT: Garcia's Peace Initiative Gathering Steam

REF: LIMA 1398; LIMA 1611

CLASSIFIED BY: P. Michael McKinley, Ambassador, STATE, AMB; REASON:
1.4(B), (D)

¶1. (C) Summary: MFA interlocutors have told us that President Garcia's recent "Peace and Security Cooperation" initiative is a serious effort to promote regional stability and contain defense costs at a time of global economic distress. Garcia's proposals seek to prevent an arms race in the region, reduce military expenditures, formalize a non-aggression pact and field a regional defense force ("Fuerza Sudamericana de Paz e Intervencion"). The GOP has promoted this initiative at various international fora and dispatched high-level envoys (cabinet ministers) to elicit support in other countries in the region. After softening some of the earlier language on the non-aggression pact, Government representatives say that results thus far are encouraging, and that the GOP is considering approaching the Organization of American States (OAS) to consolidate support. We believe that Peru's peace efforts could be favorably considered as a way to improve meaningful dialogue and transparency and reduce tensions among Latin American countries, regardless of how they perceive their relationship with the OAS, the Union of South American Nations (UNASUR) or the Bolivarian Alliance for the People of Our America (ALBA). End Summary.

Arguments for Peace and Security

¶2. (C) President Garcia first voiced his concerns about increased tensions and arms purchases in the region during the August 2009 meeting of (UNASUR) Presidents in Bariloche, that was convoked to discuss the implications of the U.S./Colombian Defense Cooperation Agreement (DCA). At that time, Garcia stated that, "no integration process in the world has been successful if it does not involve binding commitments." He noted the "paradox" that there are now more disagreements among South American countries than there were five years ago when UNASUR was created to forge a shared regional vision.

¶3. (C) On September 15, Garcia sent a letter to Foreign and Defense Ministers attending the UNASUR follow-up Ministerial in Quito, reiterating his concerns about increased arms purchases, and asserting that the region has recently spent some \$23 billion on

new weapons purchases. He argued that that amount of money could have been used instead to lift 30 million South Americans out of poverty. Garcia warned that if the trend continued unchecked over the next five years, South American countries will spend another \$35 billion on new armaments -- which will mean that total defense expenditures for the region could reach \$200 billion. He also invited the ministers to study his ideas on a South American Defense Force to deter external aggression and to consider a non-aggression pact. (Note: Afterwards, one of our MFA interlocutors suggested that the non-aggression pact idea could be useful for gaining wider regional acceptance for the U.S./Colombian DCA, since it differentiates between the escalating strategic arms purchases and enhancing security operations against internal threats. End Note.)

Regional Lobbying

¶4. (C) Peruvian delegations pushing Garcia's initiatives are being received at the highest levels by governments in the region. Peruvian cabinet ministers, including the Ministers of Production, Commerce, Women and Social Affairs, Environment and Justice have been sent as envoys to lobby for the peace proposals in Argentina, Chile, Ecuador, Bolivia, Paraguay, Brazil and Colombia so far. (Venezuela was invited to dialogue in Garcia's letter to the Quito ministerial, but our MFA contacts said its response is not yet

clear.) At the same time, Garcia himself has seized many of his public speaking engagements as opportunities to reaffirm the importance of the disarmament message and reiterate his government's commitment to the initiative.

¶5. (C) On October 19, Garcia sent a letter to the President of Ecuador (UNASUR's Pro-tempore President) Rafael Correa, refining his ideas on preventing an arms race in the region, reducing military expenditures (a proposed 3% cut in military operating budgets and a 15% reduction in arms purchases), forging a peace and non-aggression pact and fielding a regional defense force, dubbed "Fuerza Sudamericana de Paz e Intervencion". Our MFA interlocutors said they believed that Correa is receptive to the proposals, following the positive results produced at the third bilateral ministerial held in Piura last October 22 (ref B). On November 6-7, the local media reported positive results following the November 5 meeting between Correa and Peruvian Trade Minister Martin Perez, and quoted the Ecuadorian President as saying that, "We agree totally with these visions and initiatives, and with pleasure will submit them to UNASUR."

International Efforts

¶5. (U) In his 28 September speech to the 64th UNGA, FM Garcia Belaunde rhetorically asked, "How can we explain to our people that, in the middle of one of the most serious world economic recessions and with more than one billion in extreme poverty in the world, countries dedicate more than \$1,464 billion to military expenditures in 2008?" He added that over the last five years countries in Latin America had spent a total of \$156 billion on military expenditures. Garcia Belaunde then reiterated Peru's proposals to establish a non-aggression pact, to guarantee a "zone of Peace" in South America, and to create a "peacekeeping and intervention force" to dissuade conflict in the region.

¶6. (U) After his October meeting with Garcia, Spain's Secretary of State for Iberoamerica, Juan Pablo Laiglesia, referred to the peace proposals by saying that, "It is a timely initiative...and has sufficient merit to be included in the regional agenda..." Laiglesia noted that, while Spain is not a member of UNASUR, "There

are other forums and other areas that we share as an Iberoamerican community... in which this approach is going to have our echo and support."

Other Reactions

¶7. (C) MFA contacts have told us that most countries in the region are reacting positively to the "spirit" of Garcia's proposals, with some reservations by Chile, Venezuela and Brazil. PM Velaquez Quesquen indicated that Peru would be seeking OAS support for the peace proposals, after the regional diplomatic blitz was concluded. A local daily quoted Minister of Production Mercedes Araoz as saying that Argentine President Cristina Fernandez is "in favor" of the Peruvian proposal to reduce arms expenditures in order to generate confidence in the region and invest in social issues. "Argentina wants a peaceful and safe environment and does not spend too much on arms. They want to allocate their resources to the fight against poverty and fully share this vision." Araoz said.

¶8. (C) Chilean Embassy contacts have told us they fully support the notion of transparency in arms expenditures, but are less enthusiastic about spending limits and believe that Peru's

lecturing about the importance of social spending is somewhat ironic given Chile's relatively effective performance in this area. Our Brazilian Embassy contact said that Brazil is open to the proposals, though "they are already largely covered by the OAS. Besides, Brazil's arms purchase are only making up for years of lack of investment in military's equipment."

¶9. (C) Bolivian Ambassador to Peru Franz Solano is quoted as saying that his country is open to proposals for curbing arms spending in Latin America, "Clearly, Bolivia's doors are open to discuss this proposal, and others, within a framework of peace, brotherhood, and the development of our peoples." A contact at the Bolivian Embassy told us that during the October 16-17 Seventh Summit Meeting of ALBA in Cochabamba, President Evo Morales was decidedly lukewarm about Hugo Chavez's idea for ALBA to establish itself as a formal military alliance to confront "threats from the (U.S.) empire". Morales reportedly said that that such a proposal should first be "carefully studied" by the militaries of the member states.

COMMENT:

¶10. (C) While still embryonic, Garcia's peace proposals appear well-intentioned, serious and worthy of consideration. They also reinforce our perception that Peru may be turning the corner in recognizing that Shining Path terrorists and drug trafficking interests in the VRAE represent more of a clear and present danger to national interests than does the hypothetical "conventional" threat from Chile - its historical military-strategic rival. Peru's peace initiatives, if handled properly, can improve meaningful dialogue and transparency, which could lead to reduced tensions among Latin American countries, be they members of the OAS, UNASUR or ALBA. Given all of the recent saber-rattling, arms purchases, Iranian and Russian influences in the region, Garcia's peace proposal is not such a bad thing. End Comment.

MCKINLEY